

Following is a correspondence I have forwarded to the Senators who serve on the Economic Development Committee.

This letter is being sent to you to raise your awareness regarding the dismantling and potentially devastating impact on the vitality of Michigan communities regarding TIF Funding that is just beginning. We believe that House Bills 4458-4564 represents the beginning of a broader attack against this highly successful funding mechanism. House hearings are underway to significantly alter the currently very successful TIF funding structure. The TIF Acts have provided Van Buren with an opportunity to accomplish many things that provide benefit for more than just Van Buren and the DDA District.

Attempts to change the Act(s), especially creating loopholes for taxing jurisdictions to be exempted; will cause negative effects and could have a devastating impact on Michigan communities.

I can attest to the positive, constructive and much-needed assistance that our DDA has contributed and continues to contribute to the economic vitality of downtown Van Buren Township. The DDA Board understands and agrees that public institutions like the Zoo and Detroit Institute of Arts are truly worthy of public support, and we, along with many other communities across the state, also understand and know the need for the economic development programs that TIF funding provides.

Tax increment financing is a beneficial economic development tool that has been available in Michigan since the DDA Act of 1975. There are many types of tax increment authorities that can capture the incremental growth under Michigan law, each of which is governed by its own authorizing statute.

There is local accountability and checks and balances. When a tax increment authority is established, it is done so with the approval of state and local authorities, including public notice to each taxing jurisdiction and to residents allowing for an opportunity to comment. Once established, local treasurers are required to capture all ad valorem property taxes on the incremental growth within the established district. These funds are remitted to the authority charged with overseeing the use of the funds according to an approved plan for projects such as public infrastructure and economic development. All authorities have independent boards comprised of citizens and business owners within the community and their budgets are approved by local elected officials each year.

The Van Buren DDA has two bond obligations, and its short-term plan calls for major infrastructure improvements to our downtown.

ECORSE/BELLEVILLE ROAD INTERSECTION (Aerotropolis/VantagePort corridor)

Currently under construction is the reconfiguration of the Belleville-Ecorse Road Intersection where 36.8% of the crashes are angle, 22.1% rear end straight, and 13.2% head on left-turn. Of the accidents that occurred, 25% involved injuries to two of the occupants. This is a major intersection in Van Buren Township, the DDA District and the entryway to Willow Run Airport and major component of the Detroit-Ann Arbor Aerotropolis (VantagePort). Of the estimated \$6.8 million being spent on the project, approximately \$1.9 million is supported by federal funds **and the DDA is financing the remainder of the project.**

BELLEVILLE ROAD STREETScape

Just recently, the Van Buren DDA was awarded a grant of \$774,620 through Wayne County via Act 51 Funds for a major streetscape improvement project, which focuses on safety improvements downtown

along Belleville Road. **The DDA has committed about \$1.9 million for this project.** This segment of roadway is rated as the 13th highest in Wayne County for crashes.

These are the types of projects that are the highest priority to the Van Buren DDA and they would be impossible to accomplish without this funding mechanism.

RIGHT OF WAY ACQUISITION

Additionally, the Van Buren DDA is working on right-of-way acquisition in order to provide a walkable pedestrian-friendly community.

Most importantly to note, however, is that none of these important projects would occur without the assistance of TIF Funding. In the last 20 years over \$151,000,000 has been invested in our DDA which supports our taxing jurisdictions. The public investment has reaped huge private sector investment dividends that would be impossible without the DDA/TIF funding vehicle.

It is the hope that funding for TIF programs, which have enjoyed bi-partisan support for many year, will not be changed to the detriment of those who can do the most good. While we recognize the conflicts caused by the DIA and Zoo tax captures, we know that the DDA/TIF funding model has been extremely successful across many Wayne County Communities. We continue to believe that the Wayne County communities are following the law relative to collecting the DIA and Zoo revenues; our concerns are the ramifications that may result due to House Bills 4458-4464.

We are most concerned about *the unintended consequences and the dismantling* of the DDA/TIF funding mechanism that is just beginning in the State House.

Respectfully,

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